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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/557,617	04/25/2000	Thomas G. Woolston	11092-005002	9094

20985 7590 10/05/2004

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EXAMINER

SNAPP, SANDRA S

ART UNIT PAPER NUMBER

3624

DATE MAILED: 10/05/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/557,617

Applicant(s)

WOOLSTON, THOMAS G.

Examiner

Sandra Snapp

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 May 2004.
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-44 is/are pending in the application.
4a) Of the above claim(s) 1-30 is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 31-44 is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date 5-20-4.
4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

Response to Amendment

This Office Action is in response to the Amendment filed 5-20-4. Claims 31-44 are currently pending in the application. Claims 1-30 have previously been cancelled.

Information Disclosure Statement

The information disclosure statement (IDS) submitted on 5-20-04 was filed in compliance with the provisions of 37 CFR 1.97. Accordingly, the information disclosure statement has been considered by the examiner.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 31-35 and 37-40 are rejected under 35 U.S.C. 102(b) as being anticipated by the Shavit et al. patent (US 4,799,156).

The Shavit patent discloses a system for facilitating electronic commerce transactions comprising:

A computer-based transactional system for facilitating payment between participant accounts maintained within the transactional system, the transactional system configured to authorize the transfer of funds between a first financial account associated with a buyer participant and a second financial account associated with a seller

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participant in response to the first and second participants conducting transactions and without requiring connection to an external financial institution (col. 8, line 55 through col. 9, line 42), said transactional system integrated with an electronic auction and fixed price system (col. 12, line 54 through col. 13, line 9), the transactional system comprising:

A computer system in communication with the Internet and capable of executing a plurality of substantially simultaneous processes (col. 6, lines 52-56),

one or more processes executing on the computer system to

maintain an accounts database (col. 7, lines 23-26),

require the buyer participant and the seller participant each to maintain accounts within the transactional system (col. 8, line 55 through col. 9, line 42)

,

monitor a balance of funds available in each account within the transactional system (col. 9, lines 37-42),

deduct a payment amount from the buyer participant's account corresponding to an accepted offer made by the buyer participant to purchase one or more goods or collectibles offered for sale by the seller participant via said integrated electronic auction and fixed-price sales system (col. 8, lines 55-68), and

transfer the deducted payment amount to the seller participant's account within the transactional system (col. 8, line 55 through col. 9, line 6),

the integrated electronic auction and fixed-price sales system comprising

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(a) a computer system in communication with the Internet and capable of executing a plurality of substantially simultaneous processes (col. 5, lines 38-68, public network),

(b) one or more processes executing on the computer system to perform the following:

(c) provide via the Internet a participant interface for participants to select a predetermined item category from among a plurality of predetermined item categories, the category selection providing a further predetermined sub-category selection for item categorization, the item categorization corresponding to at least one or more goods and collectible categories (col. 12, lines 54-68),

(d) provide to a participant seller, via an automated seller's interface to the system, a selling mode selection between at least one ascending bid auction mode and a fixed price mode, the selling mode selection enabling the participant seller to select the selling mode format for at least one good or collectible posted by the participant seller for sale on the electronic auction and fixed-price sales system (col. 12, line 54 through col. 13, line 9), and

(e) generating a unique identification code or number for each ascending bid auction or fixed price instance established by the participant seller in the electronic auction and fixed-price sales system (col. 12, line 54 through col. 13, line 9), and

locking a data record associated with the item offered for sale in said ascending bid auction mode or fixed-price mode to prevent the sale of the same item twice to different or the same participant buyer in the electronic auction and fixed-price sales system (col. 12, line 54 through col. 13, line 9) (claim 31);

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The positive account balance in the buyer participant account results from one or more of the following: (i) proceeds from a past sale of at least one item posted for sale; and (ii) from the transfer of funds to the first user account (the buyer) from a financial institution associated with the first user (the buyer) (Shavit, col. 8, line 55 through col. 9, line 19) (claim 32);

The positive account balance for the seller participant account is cleared by one or more of the following: (i) a check printed and made paid to the order of the seller participant; and (ii) by electronic fund transfer from a financial institution associated with the system to a financial institution associated with the seller participant (Shavit, col. 8, line 55 through col. 9, line 6) (claim 33);

Credit card processing fees or external financial network charges are eliminated by use of positive available balances in the participant accounts in the buying and selling of collectable goods via the electronic auction and fixed-price sales system by transferring accounting balances between the participant accounts maintained within the transactional system (Shavit, col. 8, line 55 through col. 9, line 6) (claim 34); and

the buyer participant accepting the offer for sale from the seller participant, wherein the seller participant previously purchased the item as a network participant in the apparatus for facilitating electronic commerce and the buyer participant commands the transaction processor to clear the purchase by book entry transaction between the buyer participant account and the seller participant account (col. 11, lines 22-35) (claim 35).

The Shavit patent discloses an Internet-based transactional system for establishing multiple participant accounts that can be debited and credited in accounting for the funds used and generated by participant transactions in the system, the system clearing transactions by connecting a participant to a participant account maintained within the system and transferring funds from a participant acting as a buyer participant in the system to a participant acting as a seller participant in the system (col. 8, line 55 through col. 9, line 42), wherein the transaction is based at least in part on the participant acting as the seller in the system posting an item for sale in the system and the participant acting as a buyer in the system authorizing the transfer of funds for purchasing the item for sale in the system by connecting to a participant account maintained within the system (col. 8, line 55 through col. 9, line 42), the system clearing the transaction by debiting the participant account for the participant acting as the buyer and crediting the participant account for the participant acting as the seller (col. 8, line 55 through col. 9, line 42), the system comprising:

(a) a computer system in communication with the Internet and capable of executing a plurality of substantially simultaneous processes (col. 5, lines 38-68),

(b) one or more processes executing on the computer system to perform the following:

(i) establishing multiple participant accounts based on information received from multiple participants, the multiple participant account balances capable of being debited and credited to account for the funds used and generated by participant transactions within the system (col. 8, line 55 through col. 9, line 42),

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(ii) automatically, in response to a participant interface to the system, initiate a selling instance based at least in part on information received from a participant acting as a seller participant in the system, the instance describing an item offered for sale via the system (col. 12, lines 54-68),

(iii) connecting a participant acting as a buyer in the system to at least one participant account maintained within the system and associated with the participant acting as the buyer in the system (col. 12, lines 54-68), and

(iv) clearing the transaction between the participant acting as the buyer in the system with the participant acting as the seller in the system debiting the participant account of the participant acting as the buyer and crediting the participant account for the participant acting as the seller within the system (col. 8, line 55 through col. 9, line 42), the transaction between the participant acting as the buyer in the system and the participant acting as the seller in the system being responsive at least in part on the participant acting as the buyer in the system selecting an item instance generated by the system in response to the participant acting as a seller via the system (col. 12, lines 54-68) (claim 37);

the initiated selling instance, generated in response to a participant interface to the system where the participant is acting as a seller, comprises an independent auction instance executing substantially simultaneously with a plurality of other auction instances initiated by at least one other participant within the system (col. 12, lines 54 -68) (claim 38);

the initiated selling instance, generated in response to a participant input from a participant interface to the system where the participant is acting as a seller, comprises

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providing a predetermined category selection to the participant acting as the seller, the predetermined category selection providing a topical arrangement of selling instances to participants acting as buyers by maintaining a topical navigational for participants acting as buyers to navigate a topically arranged interface to the system wherein the topical navigation corresponds at least in part to the predetermined category selection provided to the participant acting as the seller interface a selection of a category for the selling instance generated in response to a participant acting as a seller (col. 12, lines 54-68) (claim 39); and

the initiated selling instance, generated in response to a participant input from a participant interface to the system where the participant is acting as a seller, includes item description information and the system provides a unique code to confirm item listing to the participant acting as a seller (col. 12, lines 54-68) (claim 40).

The Shavit patent discloses an automated method, performed by a computer-based transactional system in conjunction with a computer-based auction system, for conducting multiple simultaneous participant-to-participant auctions via a computer auction system connected to a data packet network and the world wide web in a fully automated, topically arranged system that can be searched by topical categories, and wherein sellers and buyers can consummate transactions between accounts maintained within the system, the computer-based transactional system and computer-based auction system being under the control of a first entity, the method comprising:

Establishing a participant's account in the computer-based transactional system wherein the participant, via the computer-based transactional system, can conduct

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transactions with other participants that maintain accounts within the system without accessing an external financial institution or automated clearinghouse to transfer an accounting of funds payable to a participant account that is maintained within the computer-based transactional system (col. 8, line 55 through col. 9, line 42),

Receiving via the data packet network from the participant acting as the seller a description of an item offered for auction, the received description including a category selected from a list of categories provided by the auction system (col. 12, lines 54-68),

In response to receiving a description of an item for auction from the seller participant, generating a unique tracking identifier for the item (col. 12, line 54 through col. 13, line 9),

Displaying, in response to a search request from a participant acting as a buyer, the description of the item for auction in a presentation format via the world wide web, the display including advertisements that generate revenue for the auction system (col. 12, line 54 through col. 13, line 9), and

Conducting a transaction between the participant buyer account maintained within the computer-based transactional system and the participant seller account maintained within the computer-based transactional system to move the accounting for funds from the participant buyer account maintained within the system and the participant seller account maintained within the system to clear a transaction between the participant buyer winning the item via the computer-implemented auction process and the participant seller selling the item via the computer implemented auction process (col. 8, line 55 through col. 9, line 42) (claim 44).

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Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claim 36 is rejected under 35 U.S.C. 103(a) as being unpatentable over the Shavitz patent in view of the Grant patent (4694397).

With regard to claim 36, the Shavit patent lacks means for returning interest on positive balances in the accounts of the plurality of Internet user (claim 36).

The Grant patent teaches means for returning interest on positive balances in the accounts of the plurality of Internet users (Grant, col. 9, lines 2-17) (claim 36). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the Shavit patent with the teaching of the Grant patent so as to provide the users of the financial aspects of the system an incentive to keep money available to the system by keeping money in their account whereby it would draw interest until used.

Claims 41-44 are finally rejected under 35 U.S.C. 103(a) as being unpatentable over the Shavitz patent in view of the EM article (Electronic Markets).

The Shavit patent discloses all the elements of the present invention, as stated above, except for:

the transactional system is under a first entity's control, the information describing the item is offered for sale in an ascending bid auction mode and is received

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from a computer system independently operated by the participant acting as the seller (), and the auction instance for the participant acting as the seller is initiated while the item remains outside the first entity's possession (claim 41);

the auction instance for the participant acting as the seller is initiated while the item remains outside the first entity's control (claim 42);

the auction instance for the participant acting as the seller is initiated while the item remains in the control of the participant acting as the seller (claim 43); and

Automatically auctioning the item for auction posted by the seller participant, the auction being conducted while the item for auction remains outside of the first entity's possession, receiving at least one bid for the item for auction from at least one bidder via a world wide web interface, an automated computer-implemented auction process processing the bid to determine whether to post to bid as the current high bid for the item for auction, determining a final high bidder for the item via the computer-implemented auction process and notifying the high bidder that he or she is the winner of the auction (claim 44).

The EM article teaches:

the transactional system is under a first entity's control, the information describing the item is offered for sale in an ascending bid auction mode and is received from a computer system independently operated by the participant acting as the seller (), and the auction instance for the participant acting as the seller is initiated while the item remains outside the first entity's possession (page 27, second to last paragraph in the first

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column that is directed to *transportation costs* – items not transported to traditional auction places any more, as such, not necessarily in first entity's possession) (claim 41);

the auction instance for the participant acting as the seller is initiated while the item remains outside the first entity's control (page 27, second to last paragraph in the first column that is directed to *transportation costs* - items not transported to traditional auction places any more, as such not item not necessarily in first entity's control) (claim 42);

the auction instance for the participant acting as the seller is initiated while the item remains in the control of the participant acting as the seller (page 27, second to last paragraph in the first column that is directed to *transportation costs* – teaches in traditional auctions, items are moved to traditional auction place, hence in the control of the participant acting as the seller) (claim 43); and

Automatically auctioning the item for auction posted by the seller participant, the auction being conducted while the item for auction remains outside of the first entity's possession (page 27, second to last paragraph in the first column that is directed to *transportation costs* - items not transported to traditional auction places any more, as such not item not necessarily in first entity's control), receiving at least one bid for the item for auction from at least one bidder via a world wide web interface, an automated computer-implemented auction process processing the bid to determine whether to post to bid as the current high bid for the item for auction (page 27, first paragraph in the first column), determining a final high bidder for the item via the computer-implemented auction process and notifying the high bidder that he or she is the winner of the auction (page 27, first paragraph in the first column) (claim 44).

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It would have been obvious to one of ordinary skill in the art to modify the Shavit system with the teachings of the EM system so as to provide a more competitive market place for the users.

Response to Arguments

Applicant's arguments filed 5-20-4 have been fully considered but they are not persuasive. The Applicant asserts that the Shavit system does not show a system wherein all the transactions are made within the system between accounts maintained within the system, without resort to external financial institutions. It is the Examiner's position that the financial institutions in Shavit are "within" the system and as such anticipate the present invention.

The Applicant also argues that the combination of Shavit, as modified by Grant, fails to disclose all the elements of the present invention. The Examiner only combined the Shavit patent with the Grant patent to teach a means for returning interest on positive balances in the accounts of the users, which Grant does. Grant states, "interest is calculated at function block 116 for each account and is posted and retained" (See Grant, col. 9, lines 2-17). The Examiner herein maintains this rejection and makes it final.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sandra Snapp whose telephone number is 703-305-6940. The examiner can normally be reached on Mon.-Thurs.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-7687 for regular communications and 703-305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.


SS



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